Pêches et Océans Canada | Fisheries and Oceans Canada

Marine Outlook

Highlights of the Marine Industry

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PORTS IN QUEBEC

Montreal

New Tonnage Handling Record

The Port of Montreal handled 25 Mt of cargo in 2006, a 3% increase in relation to 2005 and a new record. Half of the cargo consisted of containers, petroleum products and grains, which all increased in tonnage in 2006. Container transport itself attained 11.4 Mt, a 2% increase compared to 2005, breaking the old record and establishing the fifth consecutive year of growth in this sector.[1]

In order to step up the port's security, the Montreal Port Authority (MPA) introduced new security measures last November. All containers delivered by truck or train must now be sealed before entering one of the Port of Montreal's container terminals. By applying to empty containers security measures that only targeted full ones, the MPA is heightening the security of the transportation logistics chain by preventing empty containers delivered to the port from being tampered with.[2]

In other news, for the second time in two years, the port will be acquiring a dockside gantry crane able to load and unload post-Panamax ships. Expected in September of 2007, this second container crane will be joining its twin acquired in 2005. The new cranes are both capable of serving ships up to 42.4 metres in width. They can also tranship two T.E.U. containers simultaneously. All of this ultramodern equipment increases the port's ability to handle containers, thus enhancing the terminal's overall capacity.[3]

Quebec

Steady Increase in Handled Tonnage

The Port of Quebec handled a total of 23 Mt in 2006, 1% more than in 2005 and 50% more than in 2001, an increase never before seen in Canada say the port authority. Nearly 14 Mt of liquid cargo and 9 Mt of dry bulk cargo passed through the port last year.[4]

The port also welcomed nearly 91 000 cruise passengers and crew members. Of this number, 14 000 passengers began or ended their cruise in Quebec City, which is comparable to the 2005 season.[5]

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[1] Montreal Port Authority.

[2] "The Montreal Port Authority Leads the Way on Security", press release, Montreal Port Authority, December 8, 2006.
[3] Montreal Port Authority, "A Second Post-Panamax Acquisition by Termont", PortInfo, November 2006.
[4] Quebec port authority
[5] Ibid

Given the steady increase in tonnage, the port authority will team up with its partners to update all of the loading and unloading equipment, in addition to investing several millions of dollars in warehouses.[6]

Sept-Îles

Increase in Iron Ore and Aluminum

The Port of Sept-Îles' was responsible for the transhipment of 23.5 Mt of cargo in 2006, 5% more than in 2005. The majority of this amount, a total of 20.2 Mt, was generated by mining companies. Moreover, iron ore shipments rose 4% in 2006. It must be mentioned that the Alouette aluminum plant also increased its aluminum shipments since starting up phase 2 of its operations. The port handled 69% more aluminum than the previous year, for a total approaching 470 000 tons. The port's maritime traffic also increased last season. A total of 610 ships docked at the port in 2006, 20 more than the year before.[7]

Sorel

Sixty More Boats Passing Through the Port of Sorel

The Port of Sorel handled a total of 6.6 Mt in 2006, a 28% jump from 2005. This is primarily due to an increase in ilmenite and metal ingot shipments. The port welcomed 348 ships, about sixty more than in 2005. Over the course of the year, the large ships used by the Canadian Steamship Line to transport ilmenite between Havre-Saint-Pierre and Sorel were scrapped and replaced with smaller ships. Transporting ilmenite, whose tonnage has remained relatively stable from year to year, therefore requires more trips on these smaller vessels.[8]

[6] Ibid
[7] Sept-Îles port authority.
[8] "Detailed Report on Tonnage Handled at Harbours and Ports in Quebec" Transport Canada, 2005 and 2006.

Havre-Saint-Pierre

Increase in Ilmenite Shipments

The Port of Havre-Saint-Pierre handled a total of 4.0 Mt in 2006, 29% more than in 2005. This increase is attributable to a rise in ilmenite shipments. A total of 247 ships passed through the port in 2006.[9]

Port-Alfred

Slight Drop in Tonnage

The Port of Port-Alfred saw its tonnage drop 5% in 2006, handling a total of 4.5 Mt. Tonnages of bauxite, alumina, green coke, calcinated coke and fuel oil all dropped. Only the tonnage of fluorspar experienced a slight increase over the last year. A total of 125 ships passed through the port in 2006, about 15 less than in 2005.[10]

Baie-Comeau

Rise in Handled Tonnage

The Port of Baie-Comeau handled approximately 5.7 Mt in 2006, 19% more than in 2005. The port welcomed 264 ships, about 15 more than the previous year.[11]

An extra 745 000 t or so of cargo must be added to this tonnage, which passed through the Port of Baie-Comeau aboard the *Georges-Alexandre-Lebel*. This represents a 5% decrease compared to 2005, with lumber transportation dropping significantly. The train ferry made 445 round trips, about 20 less than in 2005.[12]

[9] *Corporation de développement et de gestion du port de Havre-Saint-Pierre.*
[10] Port-Alfred port authority.
[11] "Detailed Report on Tonnage Handled at Harbours and Ports in Quebec" Transport Canada, 2005 and 2006.
[12] « *Rapports des tonnages manutentionnés sur le traversier-rail Georges-Alexandre-Lebel* », SOPOR et COGEMA, 2005 and 2006.

Trois-Rivières

Increase in Handled Tonnage

The Port of Trois-Rivières handled approximately 2.7 Mt in 2006, 8% more than in 2005. Grains, liquid cargo and general cargo all increased in tonnage. About 330 ships docked at the Port of Trois-Rivières in 2006, 25 more than the previous year.[13]

Short-sea shipping has brought significant new volume to the port. It must be mentioned that 2006 was the first complete year ingots were transported from the Alouette aluminum plant in Sept-Îles. Moreover, Kruger is also shipping wood shavings from Baie-Comeau and Forestville to Trois-Rivières by barge.

The port authority hopes to increase activities by 50% in the next five years by launching a project to develop new markets. From year to year, the port handles an average of 2.2 Mt of cargo or 150 to 200 ships. The port authority has set its sights on 3 Mt, or annual traffic between 250 and 300 ships. To reach this goal, the port is counting, among other things, on an increase in tonnage through short-sea shipping or home trade. It is also hoping to attract more ships from other countries.[14]

Bécancour

Considerable Fall in Handled Tonnage

The Port of Bécancour handled a total of 1.3 Mt in 2006, a 26% drop in relation to 2005. The 2007 closure of Norsk Hydro, a magnesium production plant in Bécancour, is beginning to have an impact on the tonnage passing through the port. In fact, the tonnage of magnesite, a mineral required to produce magnesium, plummeted 73% in 2006 as compared to 2005. At the same time, the number of ships passing through the port fell to 133 in 2006, about 15 less than the previous year.[15]

[13] Trois-Rivières port authority.
[14] « *Port de Trois-Rivières – L'administration voit grand* », Radio-Canada Web site, December 13, 2006.
[15] Bécancour port authority.

The working committee hoping to relaunch activities at the Norsk Hydro plant received some good news to start off the new year. Norsk Hydro's main client, General Motors, said that it was prepared to renegotiate the contracts that bind it to the plant with a new owner. All the committee needs to do now is find a buyer.[16]

Gros-Cacouna

Drop in Tonnages of Sand and Gravel

The Port of Gros-Cacouna experienced a decrease in overall traffic in 2006. It handled about 148 000 t, 54% less than in 2005. This sharp drop is mainly due to a considerable decrease in the tonnages of sand and gravel. A total of 40 ships passed through the port in 2006, the same as the previous year.[17]

The people in charge of the Gros-Cacouna methane port project are confident that they will obtain government approval in early 2007. Construction, spread over three years, could begin as soon as the required permits are obtained. If authorization is granted, the methane port should be up and running in 2010.[18]

Moreover, experts say that liquefied natural gas (LNG) can be safely shipped to Gros-Cacouna by tanker. This conclusion was reached by a committee of specialists from Transport Canada and the maritime industry, which has deemed that the steps Cacouna Energy has taken to ensure public safety are adequate.[19]

For example, the methane tankers will borrow shipping routes already used by the majority of ships between the Cabot Strait and Les Escoumins before docking at the Gros-Cacouna terminal. Furthermore, given that ice navigation requires special measures, Cacouna Energy must ensure that tugboats are stationed near

[16] « *Norsk Hydro – De l'espoir pour le comité de relance* », Radio-Canada Web site, January 3, 2007.
[17] "Detailed Report on Tonnage Handled at Harbours and Ports in Quebec" Transport Canada, 2005 and 2006.
[18] Pelchat, Pierre, « *Énergie Cacouna espère obtenir le feu vert pour son projet en janvier* », Le Soleil, December 1, 2006.
[19] « *Le transport maritime du gaz peut se faire de façon sécuritaire* », Radio-Canada Web site, November 23, 2006.

the terminal. Ice advisors and specialists will also travel aboard the methane tankers to assist the crews. The committee of experts recommends that favourable weather be forecast for 36 hours before the ships are authorized to dock and transfer their cargo.[20]

Rimouski

Dip in Handled Tonnage

The Port of Rimouski handled a total of 230 000 tons in 2006, 4% less than in 2005. The drop in tonnages of lumber, sand and gravel are the main reason behind this decrease. The port welcomed 71 ships, 3 less than the previous year.[21]

Port-Saguenay

Rise in Handled Tonnage

The Port of Port-Saguenay handled a total of 324 000 t in 2006, 4% more than in 2005. A total of 54 ships passed through the port, 5 more than the previous year.[22]

In its review of the 2006 season, the port authority emphasized that 10 cruise ships used the Lepage wharf, with about 11 500 passengers disembarking from 8 of these. This is a very interesting volume for the port's first year welcoming cruise ships.[23]

Moreover, the advisory board organized to study the Grande-Anse methane terminal project has decided to support the project proponents. The next step will be to carry out impact assessments. The matter of social acceptance is likely to crop back up sooner or later however, namely during the public environmental hearings (BAPE). If ever the Grande-Anse methane terminal project receives all of the required authorization, the terminal could be in operation in 2012.[24]

Matane

Significant Drop in Tonnage of Lumber

The Port of Matane handled approximately 218 000 t in 2006, 13% less than in 2005. This decrease is due to a large drop in lumber transhipments as well as, on a lesser scale, a fall in petroleum products and gas. The port welcomed 33 ships, about 10 less than in 2005.[25]

About 745 000 t of cargo must be added to this tonnage, which passed through the Port of Matane aboard the *Georges-Alexandre-Lebel* in 2006. (See Port of Baie-Comeau for details).[26]

Portneuf

Drop in Handled Tonnage

The Port of Portneuf saw a decrease in its traffic in 2006. It handled a total of 87 000 t, 40% less than in 2005. The port welcomed 6 ships, 6 less than in 2005.[27]

Gaspé

Increase in Handled Tonnage

The Port of Gaspé handled a total of 80 200 t in 2006, a 3% rise in relation to 2005. This is explained in large part by a rise in tonnages of de-icing salt and petroleum products. The port welcomed 21 ships, 5 more than the previous season.[28]

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[20] Ibid

[21] *Rapports des tonnages manutentionnés sur le traversier-rail Georges-Alexandre-Lebel*, SOPOR et COGEMA, 2005 and 2006.

[22] Port-Saguenay port authority.

[23] Guillemette, Louis-Charles, « *Port Saguenay en 2006* », Le Quotidien, January 2007.

[24] Normand, François, « *L'éolien sera au cour de l'actualité énergétique* », Les Affaires, January 6, 2007; « *Le projet de port méthanier reçoit des appuis* », Radio-Canada Web site, December 11, 2006.

[25] *Rapports des tonnages manutentionnés sur le traversier-rail Georges-Alexandre-Lebel*, SOPOR et COGEMA, 2005 and 2006.

[26] « *Rapports des tonnages manutentionnés sur le traversier-rail Georges-Alexandre-Lebel* », SOPOR et COGEMA, 2005 and 2006.

[27] "Detailed Report on Tonnage Handled at Harbours and Ports in Quebec" Transport Canada, 2005 and 2006.

[28] Ibid.

REVIEW OF 2006

Estimate and Comparison of the Tonnage Handled in Quebec's Leading Ports in 2006 and 2005

List of Ports	2006 Jan.-Dec.	2005 Jan.-Dec.	Variation [29] 2006/2005
1. Montreal	25.1 Mt	24.3 Mt	+ 3%
2. Quebec	23 Mt	22.7 Mt	+ 1%
3. Sept-Îles	23.5 Mt	22.5 Mt	+ 5%
4. Port-Cartier	N/A	N/A	---
5. Sorel	6.6 Mt	5.2 Mt	+ 28%
8. Baie-Comeau [30]	5.7 Mt	4.8 Mt	+ 19%
7. Port-Alfred	4.5 Mt	4.7 Mt	- 5%
6. Havre-Saint-Pierre	4.0 Mt	3.1 Mt	+ 29%
9 Trois-Rivières	2.7 Mt	2.5 Mt	+ 8%
10. Bécancour	1.3 Mt	1.8 Mt	- 26%
11. Port-Saguenay	324 Kt	311 Kt	+ 4%
12. Rimouski	230 Kt	240 Kt	- 4%
13. Gros-Cacouna	148 Kt	240 Kt	- 54%
14. Matane [30]	218 Kt	250 Kt	- 13%
15. Portneuf	87.2 Kt	144.4 Kt	- 40%
16. Pointe-au-Pic	85 Kt	66 Kt	+ 29%
17. Gaspé	80.2 Kt	77.9 Kt	+ 3%
18. Chandler	2.5 Kt	3.4 Kt	- 26%
Total (excluding Port-Cartier)	**97.6 Mt**	**92.9 Mt**	**+ 5%**

Source: Port authorities and Transport Canada

Compilation: DRPE, Fisheries and Oceans Canada, Quebec Region

The expansion of the Wakeham quarry could breathe new life into the Port of Gaspé. Constructions DJL is investing $10 M to redevelop the stone quarry and $5 M to rebuild the port's loading area. The company is preparing to ship 800 000 t of fine stone chips to the United States, notably the state of Florida.[31]

Pointe-au-Pic

Jump in Handled Tonnage

The Port of Pointe-au-Pic handled a total of 85 000 t in 2006. This 29% jump from 2005 can be explained by the increase in newspaper shipments. The port's traffic dropped to 15 ships, down 6 from the previous year.[32]

Chandler

Fall in Handled Tonnage

The Port of Chandler handled a total of 2 500 t in 2006, 26% less than in 2005. The drop in transhipments of de-icing salt and general cargo is completely responsible. Nine ships docked at Chandler in 2006, 6 more than the previous year.[33]

PORTS IN EASTERN CANADA

Port of Saint-John (NB)

Drop in Handled Tonnage

The Port of Saint-John handled a total of 24.9 Mt in 2006, 10% less than the previous year. A 74% increase in forest products and 27% increase in dry bulk cargo could not compensate for the 11% decrease in liquid cargo, 10% decrease in containers and 9% decrease in general cargo.[34]

Halifax

Slight Increase in Handled Tonnage

The Port of Halifax handled a total of 13.8 Mt in 2006, a very slight increase compared to the year before. The tonnage of containerized cargo dipped 2% while tonnages of bulk and Ro/Ro cargo rose 2% and 6%, respectively. General cargo, which makes up 1% of the Port of Halifax's total tonnage, fell a significant 31%.[35]

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[29] Variations in tonnage are calculated from unrounded data concerning tonnage handled.
[30] This data does not include the tonnage passing through the ports of Baie-Comeau and Matane on the *Georges-Alexandre-Lebel* train ferry.
[31] « *Le port de Gaspé va reprendre vie* », Radio-Canada Web site, January 13, 2007.
[32] Ibid.
[33] "Detailed Report on Tonnage Handled at Harbours and Ports in Quebec" Transport Canada, 2005 and 2006.
[34] Saint-John Port Authority (New Brunswick).
[35] "Year End 2006 – Synopsis", Port of Halifax Web site.

SEAWAY

Number of
The Seaway Open for a Record
Days

ally closed on
The St. Lawrence Seaway offici8th navigation
December 30, 2006, ending its 4 days, beating
season. It remained open for 283
the 2004 record by two days. [36]

on the
Increase in Tonnage in Transit c
Seaway

comed 4 612
The St. Lawrence Seaway welin 2005. These
transits in 2006, 6% more than iargo, 9% more
ships transported over 48 Mt of cacomprised the
than last season. General cargo (transported,
main category with 16.2 Mtcoal. All of the
followed by grains, iron ore and cage in 2006.
cargo categories rose in tonna favoured the
Finally, the *Hwy H_2O* campaign tons of new
transit of an additional 500 000
merchandise on the Seaway.[37]

MARITIME TRANSP ORT WORLDWIDE

Shipping
Considerable Growth in Global S
Trade

orted a record
The global shipping trade transpo, 3.8% more
7.1 billion tons of cargo in 2005 to the annual
than the previous year. According ited Nations
report produced by the Uni Development
Conference on Trade and bulk cargo,
(UNCTAD), an increase in gy sectors, is
especially in the mineral and enerse.
the main reason behind this increa
uction, whose
The strong growth of steel produnsumption is
one (1) billion tons in global coal shipments
dominated by China, pushed globnd Brazil, the
of iron ore up 9.3%. Australia arorts, reported
origin of 70% of all iron ore expd 8.3%. China
respective increases of 14.5% and

s New Record,
[36] Seaway's 48th Navigation Season Establishes uary 2, 2007.
Great Lakes St. Lawrence Seaway System, Jan
[37] Ibid

was the largest importer of iron ore with 263 Mt (50 Mt more than in 2004), followed by Japan, the European Union and South Korea. Global coal shipments totalled 682 Mt, a 4.9% increase in relation to 2004. The global shipping trade is expected to experience similar growth in 2006.[38]

MARITIME TRANSPORT IN CANADA

Canada's Economic Future Closely Tied to Maritime Transport

According to Stephen J. Brooks, Vice-President of the Chamber of Maritime Commerce, Canada's economic future is largely dependent on the shipping trade. Several economists predict that Canada's international trade will double by 2020. They also make the following statement: to make this prediction reality, Canada must considerably develop trade relations with countries other than the United States, its main business trade at present. In other words, Mr. Brooks contends that Canada's future prosperity rests abroad. With 96% of all foreign goods shipped by water, it is obvious that Canada's future prosperity lies in the shipping trade.[39]

Mr. Brook also says that Canada must make strategic investments in maritime and port infrastructures as soon as possible. This involves modernizing wharves, dredging channels and ports, setting up integrated management networks for terminals, port traffic coordination networks, intermodal rail networks on the wharves, replacing and modernizing the locks in inland waterways, etc.[40]

[38] « *Forte croissance soutenue du commerce maritime mondial* », Maritime Magazine, issue 43.
[39] Brooks, Stephen J., « L'avenir dépend du commerce maritime », Maritime Magazine, issue 42.
[40] Ibd

Strong Increase in Traffic Predicted for Canadian Ports

At a recent Canada-Asia navigation conference held in Vancouver, John Vickerman, Director and Executive Vice-President of TransSystems, reminded participants that Canada is in a good position to welcome the remarkable growth of world container trade expected over the next several years. In his opinion, American ports will be saturated in the near future. Moreover, the already overloaded road and rail networks will be unable to handle the anticipated wave of containers from Asia. Under these circumstances, when the ports on North America's west coast are saturated, container traffic can be redirected to the ports on Canada's Atlantic coast.[41]

MARITIME TRANSPORT IN QUEBEC

Investments to Develop Intermodal Transport

Transports Québec announced the implementation of the *Programme d'aide à l'intégration intermodale*, whose objective is to favour the launch of intermodal projects to maintain rail and maritime infrastructures, complementary to the road system, mainly for the transportation of goods. The program has a promotional component to motivate companies to rely more heavily on the set of modes. Finally, support is offered to maritime transport development initiatives and the increased use of the St. Lawrence River. A $21 M global budget is allotted to this program, 80% of which will be devoted to rail and maritime intermodal infrastructures.[42]

Trade Corridor Project for the St. Lawrence and Great Lakes

Transportation company managers are working together to bring the project to create a St. Lawrence – Great Lakes trade corridor to fruition. This project has sparked much talk in all governmental and institutional sectors since the Canadian government launched the Pacific Gateway Strategy in 2005 (since renamed the Asian-Pacific Gateway and Corridor Initiative). The working group plans to come up with a development vision shared by the various people involved in the St. Lawrence-Great Lakes corridor, identify joint priorities with regard to infrastructures and regulations and evidently inform the governments.[43]

Moreover, the St. Lawrence-Great Lakes trade corridor project has become a priority for the St. Lawrence Economic Development Council (SODES) as it is supremely important for the economic future of Quebec and Canada. Given that international trade is expected to double over the next 20 years, this project's realization is crucial. Its main goal is to improve the competitiveness of this artery, which is vital to Quebec, Canada and North America's economy, in order to attract a larger share of the international merchandise trade.[44]

This will be a decisive year for the corridor. Efforts will be extended to integrate all modes of transportation, several industrial sectors, chambers of commerce, governments and all other groups that could play a role in the corridor's development. Several committees will also be formed to analyze the strengths and weaknesses of the corridor's logistics chain and make recommendations about the strategic projects to develop.[45]

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[41] Quigley, Léo, « *Forte croissance du trafic prévue pour les ports canadiens* », Maritime Magazine, issue 42.
[42] « *La ministre déléguée aux transports annonce la mise en place du programme à l'intégration modale* », press release, Transports Québec, October 24, 2005.

[43] Duhamel, Alain, « *Projet de corridor commercial pour le Saint-Laurent et les Lacs* », Les Affaires, December 30, 2006.
[44] « *Le corridor de commerce Saint-Laurent - Grands Lacs* », Le Saint-Laurent Express, January 16, 2007.
[45] « *Excellentes perspectives pour le corridor Saint-Laurent – Grands Lacs* », Maritime Magazine, issue 43.

ENVIRONMENT

Transport Canada Equips Itself with New Aerial Surveillance Technology

Transport Canada pressed a Dash 8 aircraft, newly equipped with leading-edge surveillance technology able to detect marine polluters, into service last December. The technology will allow the aircraft to cover a much vaster area, in daylight as well as at night and in cloudy conditions. Aerial surveillance will be combined with the RADARSTAT satellite system currently in place to detect oil spills on the ocean's surface. The craft will be based in Saint-John's, Newfoundland.[46]

COMMODITIES

Iron Ore

Anticipated Increase in Quebec's Production of Iron Ore Over the Next Several Years

The North Shore's mining companies operated at full capacity in 2006. According to Export Development Canada (EDC), Asia's demand for iron ore and steel should remain quite high over the next year. Demand for iron ore is expected to remain strong until at least 2010.[47]

In 2006, Consolidated Thompson Iron Mines, New Millenium Capital and Quinto Technologies announced their intention to open iron mines on the North Shore, which could double Canada's production. The New Millenium mining company owns a 3 billion ton deposit near Shefferville, the equivalent of Canada's iron reserves. More to the south, near Fermont, Consolidated Thompson has plans to exploit the 638 Mt Lac Bloom deposit. Quinto Technologies has a 274 Mt deposit at Lac Peppler, in the same region. If they are put into operation, these mines will double Canadian production and most certainly increase the tonnage of iron ore handled on the North Shore.[48]

Wheat

Expected Drop in Canadian Wheat Production and Exports

According to recent predictions made by Agriculture and Agri-Food Canada (AAFC) analysts, the area planted with common wheat[49] in Canada should decrease 10% in 2007. Production should drop 11% and the total offer by 10%, to settle at 27%. Consequently, exports could fall 15% due to the reduced offer.[50]

Aluminum

Predicted Rise in Canadian Aluminum Production

According to predictions made by EDC, China will remain a net importer of aluminum in 2007. Despite the fact that Chinese aluminum production has greatly increased over the last several years, Chinese demand keeps going up. In this context, Canadian aluminum exports should continue to benefit from these economic conditions as they did in 2006.[51] In fact, Canadian production totalled nearly 3.1 Mt in 2006, a 5% increase from 2005.[52]

Last December, multinational company Alcan announced that will be investing $2.1 billion in the Saguenay Lac-Saint-Jean region over 10 years. Alcan wants to help the region increase its aluminum production by 450 Mt over the next decade. It also confirmed the construction of a pilot aluminum plant at the Jonquière facility, to

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[46] "New State-of-the-Art Aerial Surveillance Technology Will Better Protect Canada's Marine Environment", press release, Transport Canada, December 1, 2006.
[47] "Economic Analysis and Forecasts", Export Development Canada, January 2007.

[48] "Production of Canada's Leading Minerals", Natural Resources Canada, August 2006.

[49] Common wheat, used to make bread and bakery gods, makes up 90% of all wheat grown in Canada. The remaining 10% is made up of hard or durum wheat, used mainly to make pasta.
[50] "Canadian Outlook for Grains, Oilseeds, Pulses and Special Crops for 2007-2008", Agriculture and Agri-Food Canada, monthly bulletin, January 12, 2007.
[51] "Economic Analysis and Forecasts", Export Development Canada, January 2007.
[52] "Production of Canada's Leading Minerals", Natural Resources Canada, January 2007.

the tune of $636 M. Construction is set to begin in 2008.[53]

Lumber and Newspaper

Hard Times for Canada's Logging Industry

The poor performance of wood products and paper led to an approximate 8% decline in Canadian exports of forest products in 2006. EDC predicts that exports will fall another 3% in 2007. The residential construction sector in the United States should continue to slow over the next year. According to the EDC, Canadian exports cannot increase significantly until residential demand for lumber in the United States has risen.[54]

The situation is hardly more encouraging for the newspaper sector, with exports expected to be very low in 2007. The key factors of American demand are still unfavourable, consumption of American daily newspapers is down and advertising expenses in newspapers are also low. Added to this is an increase in Asia's newspaper production, with the industry courting large American publishing companies.[55]

INTERNATIONAL CRUISES

Ports of Call for Cruise Ships

A study led by Economic Development Canada and Desjardins Marketing Stratégique revealed that the cities of Gaspé, Baie-Comeau and Saguenay were the best sites for a port of call for cruise ships. Different aspects were analysed, including the potential use of the wharf, ease of transportation and tourist attractions in the surrounding area.[56]

Economic Development Canada is committed to supporting the development of international cruises likely to contribute to the vitality of Quebec communities. Moreover, Minister Jean-Pierre Blackburn recently announced that the City of Saguenay will receive $9.8 M to build a port of call for cruise ships in the La Baie area.[57]

Remember that the international cruise industry is experiencing strong growth worldwide Experts predict a 6% to 12% annual increase in cruise passengers between 2010 and 2015, reaching between 18 and 24 million in 2010 and between 22 and 34 million in 2015.[58]

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[53] « *Alcan à Saguenay – 2,1 milliards en 10 ans* », Radio-Canada Web site, December 14, 2006.
[54] "Production of Canada's Leading Minerals", Natural Resources Canada, January 2007.
[55] Ibid
[56] « *Baie-Comeau et Gaspé dans la course* », Radio-Canada Web site, January 7, 2007

[57] "Canada's New Government Grants $9,871,764 for the Development of a Cruise Ship Port of Call in Saguenay", press release, Transport Canada, February 18, 2007.
[58] Ibid

COMMENTS

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